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October 12, 2006

RECORDATION NO. 20312-11 **FILED**

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

OCT 12 '06 -4 44 PM

SURFACE TRANSPORTATION BOARD

Re: The Kansas City Southern Railway Company
Substitution of Equipment

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two original copies of Memorandum of Trust Indenture Supplement No. 2 (Southern Capital Trust II 2002-1), dated as of October 6, 2006, a secondary document as defined in the Surface Transportation Board's Rules for the Recordation of Documents. The enclosed document relates to the Trust Indenture and Security Agreement (Southern Capital Trust II 2002-1) dated as of June 25, 2002 between Lessor and Indenture Trustee, a memorandum or copy of which was recorded with the Surface Transportation Board on June 25, 2002 at 10:05 A.M. under recordation number 20312-T.

The name and address of the party to the enclosed document is as follows:

Lessor: SCC SPV II LLC
c/o Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890-0001
Attention: Corporate Trust Administration

Indenture Trustee: Manufacturers Traders and Trust Company
25 South Charles Street, 16th Floor
Baltimore, Maryland 21201
Attention: Corporate Trust Services

The equipment covered as of the date hereof by the enclosed document consists of 3 SD40-3 Locomotives bearing the reporting marks KCS 3102, KCS 3138 and KCS 3158.

Law Offices of
CHAPMAN AND CUTLER LLP

A short summary of the document to appear in the index follows:

Memorandum of Trust Indenture Supplement No. 2 (Southern Capital Trust II 2002-1) between SCC SPV II LLC, as Lessor and Manufacturers Traders and Trust Company (successor to Allfirst Bank), as Indenture Trustee.

A fee of thirty-four dollars (\$34.00) is enclosed. Please time and date stamp the enclosed copy of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such document and this letter not needed by the Board for recordation to:

Robert Alvord, Esq.
Alvord and Alvord
1050 Seventeenth Street, N.W.
Suite 301
Washington, D.C. 20036

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-2991).

Sincerely,

CHAPMAN AND CUTLER LLP

By Michael D. Robson
Michael D. Robson

Enclosures

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MEMORANDUM OF TRUST INDENTURE SUPPLEMENT NO. 2

(SOUTHERN CAPITAL TRUST II 2002-1)

SURFACE TRANSPORTATION BOARD

Memorandum of Trust Indenture Supplement No. 2 (Southern Capital Trust II 2002-1), made and entered into October 6, 2006, by and between SCC SPV II LLC, a Delaware limited liability company, as Lessor ("*Lessor*"), and Manufacturers Traders and Trust Company, a New York banking corporation, as Indenture Trustee ("*Indenture Trustee*").

WITNESSETH:

1. The undersigned have entered into that certain Trust Indenture and Security Agreement (Southern Capital Trust II 2002-1), dated as of June 25, 2002 (the "*Trust Indenture*"), by which the Lessor has granted a security interest to the Indenture Trustee in order to secure the Lessor's performance of certain obligations as described in the Trust Indenture.

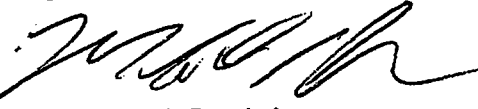
2. The Trust Indenture (or a memorandum of said Trust Indenture) was recorded with the Surface Transportation Board pursuant to Section 11301 of Title 49 of the United States Code on June 25, 2002 at 10:05 A.M. under recordation number 20312-T.

3. The undersigned have entered into that certain Trust Indenture Supplement No. 2 (Southern Capital Trust II 2002-1), dated October 6, 2006, relating to the above-described Trust Indenture and extending the Lessor's grant of a security interest therein to certain railroad equipment bearing reporting marks as listed on Exhibit A attached hereto.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

SCC SPV II LLC

By: Wilmington Trust Company, not in its individual capacity, but solely as the Independent Manager

By 

Name: Mark Cowchok
Title: Relationship Manager
Authorized Signer

Executed on this 2nd day of October, 2006.

MANUFACTURERS AND TRADERS TRUST
COMPANY

By
Name:
Title:

Executed on this ____ day of October, 2006.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

SCC SPV II LLC

BY: Wilmington Trust Company, not in its individual capacity, but solely as the Independent Manager

By

Name:

Title:

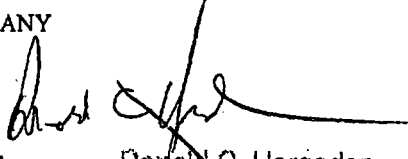
Executed on this ____ day of October, 2006.

MANUFACTURERS AND TRADERS TRUST
COMPANY

By

Name:

Title:


Donald C. Hargadon
Vice President

Executed on this 2nd day of October, 2006.

STATE OF Delaware)
COUNTY OF New Castle) SS.:

On this, the 2 day of October, 2006, before me, a Notary Public in and for said County and State, personally appeared MARK CROWCHER, who being by me duly sworn, says that (s)he is the Relationship Mgr of WILMINGTON TRUST COMPANY, that said instrument was signed on October 2, 2006 on behalf of said limited liability company by authority of its managers or members, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Jacqueline Solone
Name: _____
Notary Public
My Commission Expires: _____
Residing in JACQUELINE SOLONE
Notary Public - State of Delaware
My Comm. Expires Feb. 4, 2007

STATE OF _____)
COUNTY OF _____) SS.:

On this, the ____ day of October, 2006, before me, a Notary Public in and for said County and State, personally appeared _____, who being by me duly sworn, says that (s)he is the _____ of MANUFACTURERS AND TRADERS TRUST COMPANY, that said instrument was signed on October ___, 2006 on behalf of said _____ by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said _____.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: _____
Notary Public
My Commission Expires: _____
Residing in _____

STATE OF _____)
) SS.:
COUNTY OF _____)

On this, the ____ day of October, 2006, before me, a Notary Public in and for said County and State, personally appeared _____, who being by me duly sworn, says that (s)he is the _____ of SCC SPV II LLC, that said instrument was signed on October ____, 2006 on behalf of said limited liability company by authority of its managers or members, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name:
Notary Public
My Commission Expires:
Residing in _____

STATE OF Maryland)
) SS.:
COUNTY OF Baltimore)
city

On this, the 2nd day of October, 2006, before me, a Notary Public in and for said County and State, personally appeared Donald H. Hanger, who being by me duly sworn, says that (s)he is the Vice President of MANUFACTURERS AND TRADERS TRUST COMPANY, that said instrument was signed on October 2nd, 2006 on behalf of said _____ by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said _____.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Richard Baird

Name:
Notary Public
My Commission Expires: 9/1/2010
Residing in Baltimore MD

EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	REPORTING MARKS
SD40-3 Locomotives	3	KCS 3102 KCS 3138 KCS 3158